GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:3497
ANSWERED ON:20.08.2004
IMPORT AND EXPORT OF COTTON NATURAL AND SYNTHETIC YARN
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Will the Minister of TEXTILES be pleased to state:

(a) the annual requirement of natural and synthetic yarn and the status of indigenous productions and import from foreign countries in order to meet the demand of handloom powerloom and textile mills in the country during the last three years;

(b) the latest policy regarding the promotion of handloom and powerloom and the provisions of grants to it;

(c) whether export of cotton yarn is constantly decreasing;

(d) if so, whether Government proposes to take steps to increase the export of cotton yarn;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) The data regarding requirement of the natural and synthetic yarn is not maintained by the Government. However, assuming closing stock and opening stock remaining the same, the sum of indigenous production and import of the natural and synthetic yarn can be assumed to be the requirement. The status of the indigenous production of natural & synthetic yarn and import of natural & synthetic yarn is given below in two tables respectively:

Indigenous Production of Natural & Synthetic Yarn (Qty in Mn. Kg.)

Description	2000-2001	2001-2002	2002-2003	2003-2004 (Provisional)
Natural Yarn (Cotton, Silk & wool)	2961	2847	2774	2718
Synthetic Yarn (Blended, 100% NC & man made filament yarn)	1813	1851	2004	2051
Total	4774	4698	4778	4769

Note : Production details of silk yarn and woollen yarn for the year 2003-04 were not available.There fore, production data for the year 2002-03 has been repeated for the year 2003-04 for these yarns.

Import of Natural & Synthetic Yarn (Qty in Mn. Kg.)

Description	2000-2001 (Apr-Oct.)	2001-2002 (Prov.)	2002-2003	2003-2004
Natural Yarn (Cotton, Silk & wool)	4	5	6	6
Synthetic Yarn (Blended, 100% NC & man made filament yarn)	99	134	171	85

Total	103	139	177	91

(b) In pursuance of the National Textile Policy, 2000 the Government has taken various steps for promotion of handloom and powerlooms sectors.

Handloom Sector : The policy relating to the handloom sector covers

(i) upgradation of skills for value added items

(ii) continuation of welfare measures for a better working environment and the social security of the weavers

(iii) effective support systems in research and development, design inputs, skill upgradation and market linkages

(iv) review of the implementation of the Hank Yarn Obligation Order and the Reservation Orders issued under the Handloom (Reservation of Articles for Production) Act 1985 keeping in mind the needs of the handloom weavers;

(v) revamping of Weavers Service Centres in consonance with the contemporary trends, and using Information Technology for efficacy, their activities suitably dovetailed with activities of centres of design excellence like NIFT and NID.

Powerloom Sector: The Government has taken the following initiatives for strengthening the decentralized powerloom sector in the form of a package:

Enlarging the existing Technology Upgradation Fund Scheme (TUFS) to cover modernization of Powerlooms;

Introduction of a new Group Workshed Scheme together with the State Governments to create a better working environment and obtain higher productivity; and improvement of other infrastructure facilities under the Textile Centre Infrastructure Development Scheme (TCIDS);

Providing insurance cover to the powerloom workers against death, accident and disability under a special Group Insurance Scheme.

Government has formulated necessary schemes to implement the package.

Government of India provides necessary grants for implementing schemes in handloom and powerloom sectors.

(c) The data on export of cotton yarn including sewing thread for the last three years has been fluctuating and is as under:

(Qty in Mn. Kg)

Description	2000-2001	2001-2002	2002-2003	April - October 2002-2003	2003-2004Prov.
Cotton Yarn (incl. sewing thread)	513	438	511	320	223

(d) to (f) The Government has taken various measures to increase export of textile items including cotton yarn, which are as follows:

(i) Following important announcements have been made in the Union Budget 2004-05:

- Except for mandatory excise duty on polyester filament yarn including texturised yarn,synthetic and artificial fibres and synthetic and artificial filament yarns, the whole value addition chain has been given excise exemption option.

- Additional Excise Duty on Textiles & Textile Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act have been abolished.

- Basic customs duty on various textile machinery and spare parts has been reduced to 5%.

(ii) The Technology Upgradation Fund Scheme(TUFS) has been made operational from 01.04.1999 to facilitate the modernisation and upgradation of the sector.

(iii)Government has launched the Technology Mission on Cotton (TMC) during 1999-2000 for a period of 5 years.The said mission, which has four mini missions is expected to bring about all round improvement in the production, productivity and quality of cotton through research, transfer of technology and improvement in the raw cotton processing and marketing.

(iv) Gradual reduction in rates of interest on Pre and Post -Shipment Credit and working capital.

(v) In order to explore the potential for further increasing the exports of textiles a series of specialised market studies have been commissioned.